

THE COMMONWEALTH OF MASSACHUSETTS  
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF  
TELECOMMUNICATIONS & ENERGY**

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**NOTICE**

TO: Massachusetts Telecommunications Carriers

FROM: Michael Isenberg, Director - Telecommunications Division

DATE: April 6, 2004

RE: Use of Contract Service Arrangements

Under Massachusetts General Law c. 159, ' 19, all intrastate telecommunications services offered by a carrier in Massachusetts must be tariffed. To allow carriers to respond to competitive situations by negotiating rates, terms, or conditions different from standard tariffed offerings, in 1991, the Department authorized carriers to file contract service arrangements (ACSA®), sometimes referred to as customer-specific pricing (ACSP®) plans, special-pricing arrangements (ASPAs®), or individual case basis (AICB®) rates. See Investigation by the Department on Its Own Motion into the Propriety of the Tariff D.P.U. - Mass. - No. 1, Part A, Network Services, Section 1, Sixth Revision of Page 1, Filed With the Department on December 26, 1989, to Become Effective January 25, 1990, by AT&T Communications of New England, D.P.U. 90-24 (1991). The negotiated rates and terms are set out in a contract with the customer, which in turn, is memorialized through language in a tariff filing. Thus, carriers must also tariff CSAs to comply with the tariff requirement of ' 19.

The Department's Order in D.P.U. 90-24 set forth a number of specific filing requirements for CSAs, some of which have been modified to reflect changes in the marketplace or regulatory policies since then. See Letter from Michael Isenberg to John Conroy of Verizon-Massachusetts (dated Oct. 16, 2001) and Letter from Michael Isenberg to Patricia Jacobs of AT&T Communications of New England (dated Oct. 16, 2001); see also

Letter from Michael Isenberg to John Conroy of Verizon-Massachusetts (dated February 27, 2002) and Letter from Michael Isenberg to Patricia Jacobs of AT&T Communications of New England (dated February 27, 2002). Currently, a CSA filing must include the following information and documentation:

- (1) Proposed tariff language that memorializes the contract arrangement.
- (2) A statement in the cover letter to the CSA filing or in supporting material that states: **A**This contract service arrangement (ACSA<sup>®</sup>) is in response to the specific, individual requirements of the customer and/or a competitive bidding process. This CSA differs from the Company's standard tariffed offering in that the CSA contains a customer service arrangement and/or term and/or volume commitments. Because the CSA customer is not ~~under~~ like circumstances as other customers, the CSA arrangement complies and is consistent with the statutory and regulatory requirements set forth in MA General Laws, Chapter 159, and D.P.U. 90-24 (1991).<sup>®</sup>
- (3) A description of the service(s) provided under the CSA, and an indication of which, if any, of the services are covered under existing standard tariffs, and which aspects of the CSA are intended to customize the service to the customer's requirements. This narrative also must include a **A**situation analysis<sup>®</sup> of the reasons why it is necessary for the carrier to offer the CSA. The situation analysis may, but does not have to, include cost data or market factors that were considered in formulating the proposal.
- (4) A copy of the customer contract and all related documents.

It is the carrier's burden to show that the CSA is reasonable, and failure to provide the above-required information or any other additional information necessary for the Department to fully evaluate the reasonableness of the CSA, may result in rejection of the CSA. Finally, carriers that fail to tariff CSAs risk enforcement action by the Department.

If you have any questions about this notice or the Department's CSA policies, please contact the Department's Telecommunications Division at 617-305-3540.